

AMENDED IN SENATE JUNE 23, 2005

AMENDED IN ASSEMBLY APRIL 11, 2005

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 256

Introduced by Assembly Member De La Torre

February 8, 2005

An act to add Section 22849 to the Government Code, relating to public employees' health care.

LEGISLATIVE COUNSEL'S DIGEST

AB 256, as amended, De La Torre. Public employees' health care: school employees.

The Public Employees' Medical and Hospital Care Act provides health benefit coverage to state employees and public employees of contracting agencies, as specified, and is administered by the Board of Administration of the Public Employees' Retirement System.

This bill would require the Board of Administration of the Public Employees' Retirement System, on or before December 31, 2006, to conduct a study to examine the feasibility and cost-effectiveness of creating a single statewide health care pool that would cover all public school employees working in school districts, county offices of education, ~~and~~ community colleges, *and entities established by those school employers*, as specified, or of including all school employees under the Public Employees' Medical and Hospital Care Act, and to report that study to the Legislature. The bill would make specified findings and declarations in that regard.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature hereby finds and declares all of
2 the following:

3 (a) There are over 6,000,000 children and nonelderly adults
4 living in California who have no health insurance.

5 (b) More than eight in 10 uninsured adults and children are in
6 working families, including half who are in families with at least
7 one adult employed full-time.

8 (c) According to a recent study, the annual cost of health
9 insurance for a California family of four is now equivalent to 75
10 percent of the annual earnings of a fully employed minimum
11 wage worker.

12 (d) California health insurance premiums increased 11.4
13 percent on average in 2004, more than six times the state's
14 inflation of 1.7 percent.

15 (e) As health care costs increase, employers are shifting more
16 of the costs to employees, who are paying more of their earnings
17 for increased health care premium costs, deductibles, and
18 copayments.

19 (f) California's health care crisis can also be seen in our
20 schools where there are over 100,000 school employees without
21 any health insurance.

22 (g) The majority of school employees who have no health
23 coverage are the lowest wage earners in the schools, are
24 overwhelmingly women, and many of them are minorities.

25 (h) School employees who are uninsured are usually uninsured
26 because they are not given enough hours to qualify or the
27 premiums are so high that they cannot afford the health coverage.

28 (i) Many school employees who are uninsured earn such
29 modest incomes that their children qualify for the Healthy
30 Families Program.

31 (j) There are over 1,000 school districts in California, and
32 many of them purchase their own health plans, join with other
33 school districts to purchase health care, or purchase health
34 insurance for their employees through the Public Employees'
35 Medical and Hospital Care Act (Part 5 (commencing with
36 Section 22750) of Division 5 of Title 2 of the Government Code)
37 (PEMHCA).

1 (k) There are hundreds of different health care plans that are
2 administered for school employees statewide. There is no single
3 health care pool for all public school employees.

4 SEC. 2. Section 22849 is added to the Government Code, to
5 read:

6 22849. (a) The board shall conduct a study to examine the
7 feasibility and cost-effectiveness of creating a single statewide
8 health care pool that would cover all public school employees
9 working in school districts, county offices of education, ~~and~~
10 community colleges, *and in entities created or established by*
11 *those school employers, including, but not limited to, joint*
12 *powers agencies, regional occupational centers, and regional*
13 *occupation programs.*

14 (b) The health care school pool study shall, at a minimum,
15 include the following:

16 (1) A review and analysis of the costs, cost savings, benefits,
17 and drawbacks of creating a health care pool for all public school
18 employees in California, including retirees.

19 (2) An analysis of rates, including both a regional rating
20 structure and a single statewide rating structure.

21 (3) An analysis and reporting of any and all cost savings in the
22 administration of a single health care pool for all school
23 employees compared to the current process that includes
24 hundreds of different plans.

25 (4) An examination of plan design options in the health care
26 school pool.

27 (5) An analysis of the feasibility and cost savings of including
28 all school employees under this part, as the health care pool for
29 all school employees.

30 (6) *An analysis of the feasibility and cost savings of creating a*
31 *pool operated exclusively for school employees.*

32 (7) *An analysis and comparison of a mandatory pool versus a*
33 *voluntary pool.*

34 (c) The health care school pool study shall be completed and
35 reported to the Legislature on or before December 31, 2006.

36 (d) *The board may consult with the Teachers' Retirement*
37 *Board of the State Teachers' Retirement System in preparing the*
38 *study.*